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Report Highlights:

The consumption of imported consumer foods in the Dominican Republic has increased by nearly 25% per year during the last ten years and this tendency is expected to continue in the near future. Supermarkets are becoming more important at the expense of the traditional warehouses and grocery stores. The market structure for food distribution has changed in recent years, with greater participation of the local and international supermarket chains, which are more prone to sell imported products.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
Santo Domingo [DR1], DR

EXPORTER GUIDE TO THE CONSUMER FOOD MARKET IN THE DOMINICAN REPUBLIC

1. MARKET OVERVIEW

The sustained economic growth of the Dominican Republic has brought about a substantial growth in food demand in recent years, resulting in greater opportunities for US suppliers. Imports from the United States represented 50% to 56% of food imports. The consumption of imported consumer foods has increased by nearly 25% per year during the last ten years and this tendency is expected to continue in the near future. North American culture has significantly influenced the Dominican consumer habits both because more than one million Dominicans live in New York City and other locations, and the influence from cable TV, music, movies and other American traditions that have been incorporated, such as Thanksgiving and Halloween.

The Dominican Republic, which has traditionally relied on its agricultural products, has become a major tourist destination in the Caribbean with 51,916 hotel rooms at the end of year 2000, and an estimated average growth of 3,500 rooms per year (9.9 %) from 1993- to 2000.

The Dominican economy is considered to have achieved one of the best growth rates in Latin America and the world. According to the Central Bank, it has maintained an annual growth above 7% for the past five years and the inflation rate has been kept under double digits. In 2000, the Gross Domestic Product increased by 7.8%, and in 1999 grew by 8.0%. The sectors with greater growth in 2000 were sugar (16.7 %), communication (15.7%), hotels, bars and restaurants (15.7%), transportation (11.9), and electricity and water (11.0%). Tourism (Hotel, Bar, and Restaurant activities) jumped from a growth of only 4.7% in 1998, 9.1 % in 1999, to 15.7 % in 2000, which is above the average rate for the decade (15%).

According to a National Household Survey of Expenditures and Income (ENIGH) conducted by the Central Bank from October 1997 to September 1998, the current household annual income is US\$15,787.65 millions, which implies an annual per capita income of US\$1,925.32. It also reported that the current annual expenses in Dominican households were US\$2,702.5 million per year, which are classified as follows: 21.76% meats, 17.02% cereals, 10.90 fruits, 7.44% milk and its by-products and 5.85% vegetables.

The food distribution systems have experienced substantial changes in recent years. Supermarkets are becoming more important at the expense of the traditional system of warehouses and grocery stores. Foreign supermarket chains, such as PriceSmart from the United States and Carrefour from France have retail outlets in Santo Domingo and Santiago. Pali, a supermarket chain from Central America which focuses on low income people selling at low prices, was established in the country in 2000, but it closed in 2001. Also, the local supermarket chains are making extraordinary expansion efforts, opening new retail outlets in Santo Domingo and other cities, adopting modern technology for managing their operations and aggressive marketing strategies to attract new clients to their stores. Small local supermarkets are also designing strategies to compete with giants. At the end of 2001, the owners of a group of small supermarkets created an association to try to procure their products directly from suppliers and avoid going through local importers. That way they could take advantage of lower prices and better compete with large

supermarkets.

The following table illustrates some of the Advantages and Challenges for U.S. suppliers of consumer foods and edible fishery products:

<u>Advantages (strengths and opportunities)</u>	<u>Challenges (weaknesses and threats)</u>
<ul style="list-style-type: none"> · The market structure for food distribution has changed in recent years, with greater participation of the local and international supermarket chains, which are more prone to sell imported products. · In spite of the slow down at the end of last year due to the terrorist attack in the United States, the economic growth of the country, based on the development of the tourist sector creates a greater demand of high-quality products, where the consumer perceives a higher quality in imported products. · Migration from rural areas to the cities is still continuing at a pace greater than the population growth rate. · There is great influence from US culture (Cable TV, music, and fashion). · The country's food distribution systems are becoming more efficient with a tendency to get as close to the consumer as possible. · As the country gets involved in trade agreement to liberalize the domestic market, there is an opening for a greater market access for U.S. product. 	<ul style="list-style-type: none"> · The globalization process and the economic stability of the country attract new foreign supermarket chains. Some of these come from Europe and Central America, which could result in imports from those countries. · Dominican industry becomes more and more competitive, integrating better technology and machinery to its production process. · Most people, who migrate to the cities, usually come from low-income areas and concentrate in slums. · Globalization has increased the influence from other cultures (Europe, Asia, Central and South America), that influence consumer habits. · The entry of new brands into the market is becoming increasingly difficult because distributors are saturated with new products. High marketing investment has to be made on promotion and advertisement to create brand awareness. · There are tariff and non-tariff barriers that affect imports to the Dominican Republic. Also, on average, air and sea transportation fees remain high. · The government has set a 1.5% tax on gross sales to business as an anticipation to the taxes companies have to pay as a means to ensure that taxes are collected. This measure has somehow affected some businesses and the overall commercial activities. · Value Added Tax (ITBIS) was increased from 8 % to 12 %. That tax is transferred to the final consumer.

2. EXPORTER BUSINESS TIPS

To do business in the Dominican Republic it is always wise to know the business climate before starting directly or establishing a business partnership with a local company or representative.

It is recommended to comply with local laws and regulations. A common practice is to undervalue imported merchandise declared to the customs for tax evasion. To counteract this situation, customs authorities have taken measures to impose fines of at least double the amount of unpaid taxes, making this a very risky activity.

The traditional Dominican diet includes three meals a day, where the midday meal is always the largest. Among the middle class, breakfast includes bread, eggs, ham, fresh fruit, salami and vegetables in some cases. The low-income class prefers vegetables with eggs, milk, salami and coffee. Lunch usually consists of rice, beans, meat (chicken, beef or pork) or pasta and some salad. However, in most of the urban areas, Dominicans are changing both the number of daily meals and the types of foods. Workers, especially those in offices and the younger ones cannot go home for lunch and they prefer to eat lighter meals with snacks or eat at fast food restaurants. Some employers subsidize their employees' lunch so they don't have to leave the work area. In Santo Domingo (the capital), because of the distance and traffic, very few workers have lunch at home.

It is also very important to point out, that Dominicans are becoming more health-conscious and aware of food safety issues. People are demanding healthier food, with less saturated fat, cholesterol and sugar (carbohydrate) content. There is the notion that products made in industrialized nations, such as the United States are more reliable in terms of quality. Therefore, there is a tendency, mainly among the middle and high-income classes, to consume natural and healthy products. Hence, some supermarkets have diet food departments, so that they are more accessible to consumers who buy them.

According to the Department of Norms and Standards (DIGENOR), all products must be properly labeled. Products packaged in the presence of the final consumer or packaged in the stores for sale on the same day are exempted from this requirement. Labels must be written in Spanish or in Spanish and another language. A complementary label or counter-label may be used when the original label is not written in Spanish. It must specify the brand name, the specific name of the product, the list of ingredients, and the net weight of the final product. It must also specify the name and address of the producer and importer, the country of origin, the identification of the production batch code, the expiration date and instructions for using the product.

Consumer foods must be registered with the Department of Health which issues a certificate (Sanitation Registration) that must be printed on the label of the product. It is necessary to present samples of the product and other documents for this process.

The trademark must also be registered with the Ministry of Trade and Commerce. It takes two to four months to process the Sanitation Registration and to register the trademark. It is recommended that an expert in these matters (legal firm) handle these processes. The cost may range between US\$300 and US\$500 per product, depending on the legal firm fees.

All shipments to the Dominican Republic valued in excess of US\$100 must be supported by the following documentation: (1) Bill of Lading (English or Spanish), (2) Consular Invoice (Spanish), (3) Commercial Invoice (Spanish), insurance certificate (issued by a local insurance company) and a certificate from the Central Bank (Import permit). A Dominican consular representative in the country of origin must certify the first three documents. Some other documents are required depending on the type of product, such as:

- Phyto or Zoo Sanitary Certificate: for importing agricultural and animal products, such as fresh dried fruits, vegetables, plants and animals.
- Import Permit issued by the Department of Internal Taxes for alcoholic beverages.

The Phyto Sanitary Law (Law 4990 enacted on September 3, 1958) regulates the imports of plants, fruits, seeds, flowers and vegetable parts. The Ministry of Agriculture may grant import permits when it deems that the import of said products is not harmful to plants and agricultural exploits in the country, considering the sanitary situation of the country of origin. The Ministry also has the power to establish quarantines. Cattle imports, for example, are subject to rigorous quarantine measures and the importer must cover the cost.

The customs clearing process takes approximately three days, if all the required documentation has been submitted. This requires a Customs Agent who must be knowledgeable and in some cases who knows the officials involved with the processes for appraising, verifying and clearing of the merchandise.

The appraisal of the imported merchandise, which used to be based on minimum prices or customs appraisal list (Lista de Valuación Aduanera, LVA), is now based on the invoice price. If inspectors find out that the actual invoice price was changed, the importer will be penalized.

All imported merchandise is subject to payment of tariffs and other taxes. Tariffs are estimated based on the C.I.F. value (cost, insurance and freight) in Dominican Pesos at the current exchange rate. Tariffs range from 0 to 40%, depending on the level of processing and the national interest on the product. The World Trade Organization (WTO) approved a technical rectification to allow the country to impose a tariff rate quota on eight agricultural products: beans, chicken, corn, garlic, milk, onions, rice and sugar. Imports exceeding the limits are subject to tariffs ranging from 74 and 162%.

Other taxes include:

- Exchange Commission (Import Permit): currently, it is 4.75% of the C.I.F. value of the imported products.
- Consular Invoice and the legal taxes (between 100 and 200 US dollars): paid in the country of origin.
- A value-added tax (Impuesto de Transferencia de Bienes Industrializados y Servicios, ITBIS):

- 12% on the added value. This tax also applies to local production, however local products considered staple are exempt, which in some cases represents an advantage for local products.
- **Luxury Tax (Impuesto selectivo al consumo, ISC):** ranges from 5 to 80% of the C.I.F. value of imports. It is applied to products that are considered luxury goods, such as alcoholic beverages, tobacco and caviar. This applies on the retail price and, therefore, to calculate it, the C.I.F. value is multiplied by a factor (determined by the Customs Department in an administrative manner) to reflect this price.

3. MARKET FOOD SECTOR STRUCTURE AND TRENDS

The food distribution system has changed significantly during recent years. While a few years ago, there were only a few food importers, who simply imported and sold to wholesalers, now there are hundreds of companies involved in this type of business directed more towards distribution. In most cases, the owners of major supermarkets own import companies or holding groups that in addition to importing goods for their supermarkets, also have a distribution center to manage imported and locally produced foods to supply smaller distributors (warehouse owners) and retailers.

There are also some independent companies that work as importers and wholesale distributors for well-established brands. However, the tendency is for importers and local producers to have more control over their products at the retail level. They have developed direct distribution systems that have reduced the importance of the wholesaler in the food distribution chain.

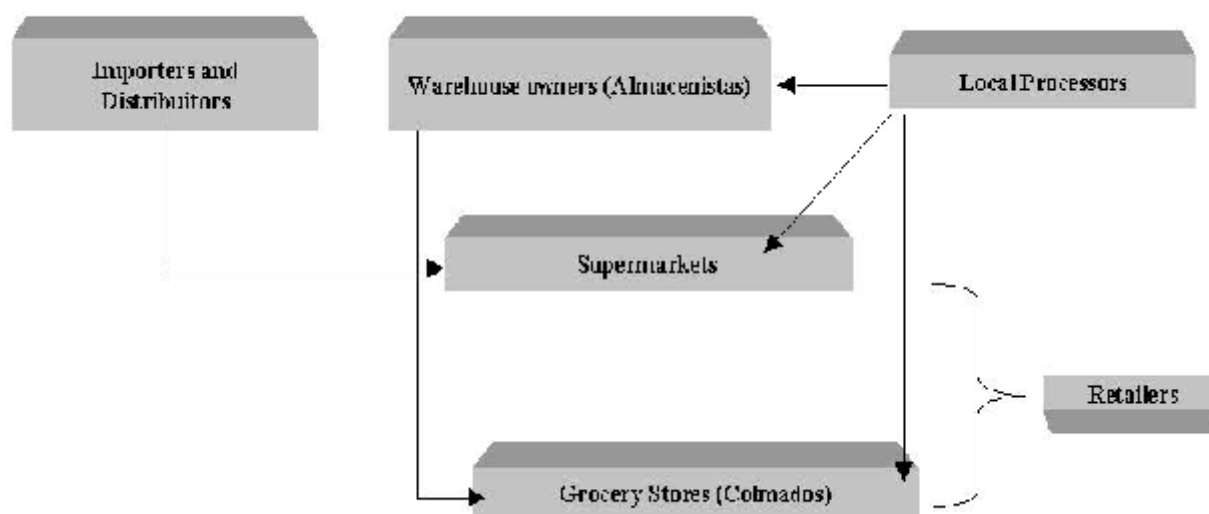
Fig. 1. Market Food Sector Structure in the Dominican Republic

A. THE RETAIL FOOD SECTOR

The traditional retail food sector of the country is comprised of supermarkets that focus on middle and high income customers, warehouse owners who supply the grocery stores, but in many cases, they also function as retailers. The grocery stores (colmados) are scattered all over the country, but their focus is on middle and low income customers.

There are approximately 80,000 grocery stores (colmados) in the country. Traditionally, the warehouse (almacenistas) has supplied them. The grocery store sells staple foods (rice, beans, sugar, salt, condiments, milk, water, salami, eggs, ham and cheese), alcoholic and non-alcoholic beverages, and cigarettes. In some cases they sell fruits, vegetables and meats and have cooling systems for drinks and beverages (beer, beverages, milk, etc.) and meat products. Usually, the products sold in this type of business are consumed on the same day and in many cases credit is available to customers. Many of these "colmados", especially in Santo Domingo, have evolved into self-service stores or mini-markets and "Colmadones", which are similar to grocery stores, but larger. They provide entertainment with music and serve alcoholic beverages during evening hours and weekends.

Important companies such as INDUVECA (sausage producer), "Cervecería Nacional Dominicana" (Presidente Beer with about 90% of beer market share), E. León Jiménez (cigarettes, cigars),



CODAL (local Nestle's company), "Productos Checo" (sausages), Pepsi, Coca-Cola and many others have their distribution network. They supply retailers up to twice a week, depending on the product turnover. These companies, with their own distribution systems, seem to be the most appropriate way for introducing new brands or products into the domestic food market.

Furthermore, there are some small and medium-size warehouses (almacenistas) that are also retailers, mainly to middle and low-income clients who usually do their grocery shopping weekly or every other week. These type of consumers have been shifting to supermarkets to take advantage of the variety and freshness of products, the shopping facilities and especially the use of credit cards.

The supermarket industry has advanced a lot in the country during the last ten to twelve years, to the extent that these are comparable to those of industrialized nations in various aspects such as space, the variety of products they offer, operation technology and the aggressive marketing strategies to attract customers. The number of supermarkets and other stores selling consumer products in the mass segments of Santo Domingo and other cities of the country is also increasing.

Among the most important supermarkets chains are the following: “Centro Cuesta Nacional” (CCN) that operates the “Nacional” supermarkets (8 stores; 7 in Santo Domingo and 1 in Santiago) and “La Despensa” (5 stores in different sectors of Santo Domingo). The plan is to open 4 additional (2 in Santo Domingo and 2 in La Romana). The Ramos Group (Grupo Ramos) operates the Pola Supermarkets (8 stores – 6 in Santo Domingo and 2 in Santiago). Other important supermarkets chains are Plaza Lama (3 in Santo Domingo, including appliances), Hiper Olé (3 in different sectors of Santo Domingo) and the Bravo Supermarkets (2 in Santo Domingo). Important chains such as PriceSmart (North American) has three retail outlets (2 in Santo Domingo and 1 in Santiago). Carrefour (French) has one store in a large mall in Santo Domingo.

Large supermarkets such as Nacional, Pola, La Cadena, Hipermercados Ole, Carrefour, and Bravo are located in urban zones with areas ranging from 40,000 to 50,000 square feet, with 15 to 50 cashiers and maintain the latest retail business technology, such as UPCs, scanners and computer systems for controlling inventory. The smaller ones located in the mass segments, such as La Despensa (low service supermarket chain), also use modern technology, but their stores are smaller (10,000 to 30,00 square feet), and there is a more limited product variety. Small supermarkets target medium to low income customers who were not previously used to going to supermarkets. The first low service supermarket chain (Pali from Central America) was established in the country for about a year and then closed. Local competition, along with the image of low service (people had to take their own bags) could be one of the reasons for its closing.

Competition is increasing a lot among supermarket chains. Each one is establishing its own system to attract customers. A card system has been established by most of the chains, which makes customer feel they receive preferential treatment and also receiving some special offers and discount. For example, Pola has the card “Cliente Distinguido”; La Cadena, “Supercliente”, Nacional, “Plus”, and PriceSmart, in addition to the membership card is giving their customers a Visa-Promerica-PriceSmart credit card.

The most important marketing strategies have been oriented towards product quality, personnel quality, customer service, and specially discount sales. The “Nacional” supermarkets have what they call the “Quincenazo” (biweekly sales specials) and the 2 x 1 special on vegetables once a week. Pola uses the 2 x 1 (buy one and get one free) on vegetables and other products. Usually, although the clients are not aware of this, suppliers must bear the costs of these specials.

The establishment of foreign supermarkets in the country has increased competition. Competition has had a greater impact on small supermarkets. Large local supermarket chains reacted by purchasing the small ones.

There are also other medium-sized supermarkets that have been in business for several years and have a good flow of customers. INDUVECA (La Vega), La Fuente (Santiago) and Central (Santiago). They differ in the level of technology they use. Their sizes range from 10,000 to 30,000 square feet and they have 5 to 15 cashiers. Radio advertisement and price specials are the main marketing strategies to attract customers to these supermarkets.

Moreover, in the supermarket segment there are smaller supermarkets located in residential areas, which are known as mini-markets and self-service food stores. They carry limited quantities of products and have only two to five cashiers. Customers usually live within walking distance. Furthermore, it should be noted that there is a boom of self-service (convenience) stores at gas stations. These are of easy access to gas-station clients and sell snacks, ice cream, sandwiches and beverages. These convenience stores display a sizable amount of imported foods item on shelves, especially chocolates, juices, ice cream, and snacks.

It is also important to point out that supermarkets and grocery stores have widely expanded the time open to customers. Some of them are opened 24 hours.

The Internet sales market is not widely used, especially in the food business. Currently, there are only a few fast food stores such as Pizza Hut, Kentucky Fried Chicken and Domino's Pizza offering services through the internet to some urban areas of the capital.

B. THE FOOD SERVICE SECTOR

The tourism sector (hotels, bars and restaurants) grew by 10.2% in 1999 and 15.7 % in 2000, mainly as a result of an increase of more than 4,900 and 2,290 hotel rooms in 1999 and 2000, respectively. This is an improvement compared to the growth achieved in 1998 that was only 4.3%, when the country was hit by Hurricane George on September of that year. The sector experienced a growth rate of approximately 15% per annum, during the last five years.

At the end of year 2000, there were 51,916 hotel rooms, which are concentrated mainly in tourist regions such as La Altagracia (18,274), Puerto Plata (16,514), Santo Domingo/Boca Chica (5,453), San Pedro de Macoris/Juan Dolio (4,135), Samaná (1,825), and La Romana (1,444). This makes the Dominican Republic one of the largest tourist destinations in the Caribbean. In 2000, this sector generated RD\$2,895 million (US\$178.9 million), 167,170 direct jobs (47,763 direct ones and 119,407 indirect ones), and contributed 6.8 % to the GDP.

In 2000, 2.4 million foreigners visited the country (departing from airports), coming from Europe, (52.9%), United States of America (26.2%), Canada (10.0%), South America (7.0%), Central America and Caribbean (2.3 %), and Others (1.6%). The average stay was 10 nights and the average daily

expenditures were US\$101.5. Tourists prefer the all-inclusive packages because they are more affordable and convenient, and they do not have to make any decisions as to what to eat or drink. Hotels and restaurants are pushed to be very efficient in handling low-cost foods and beverages and prefer local products.

The location of restaurants responds to hotel location, tourist areas and the urban zones. There is a wide range of restaurants, both of high quality and specialized in different type of cuisines (native, seafood, pastas, meats, Italian, Cantonese, Spanish, Argentine and fast foods).

According to a study conducted by the Hotel and Restaurant Association (ASONAHORES), 50% of these establishments have English-speaking employees, 25 % have live music and 99% accept major credit cards (Visa, Master Card and American Express).

Fast-food restaurants, which are mainly North American franchises, are growing in the country and have been widely accepted. For example, McDonalds has 6 restaurants (4 in Santo Domingo and 2 in Santiago), Burger King has 8 (5 in Santo Domingo and 3 in Santiago), Wendy's has 3 (Santo Domingo), Pizza Hut has 6 (4 in Santo Domingo and 2 in Santiago), Taco Bell has 3 (2 in Santo Domingo and 1 in Santiago), Kentucky Fried Chicken has 4 in Santo Domingo, Church's Chicken has 2 in Santo Domingo. Some other foreign franchises in the food sector are Bagel's More, Dominos Pizza, Dunkin' Donuts, Friday's American Bar, Häagen Dazs, Miami Subs Grill, Mrs. Fields, Subway, TCBY, Yogen Früz, Baskin Robbins, Blimpie, and Candy Express. There are also others native and Cantonese food restaurants.

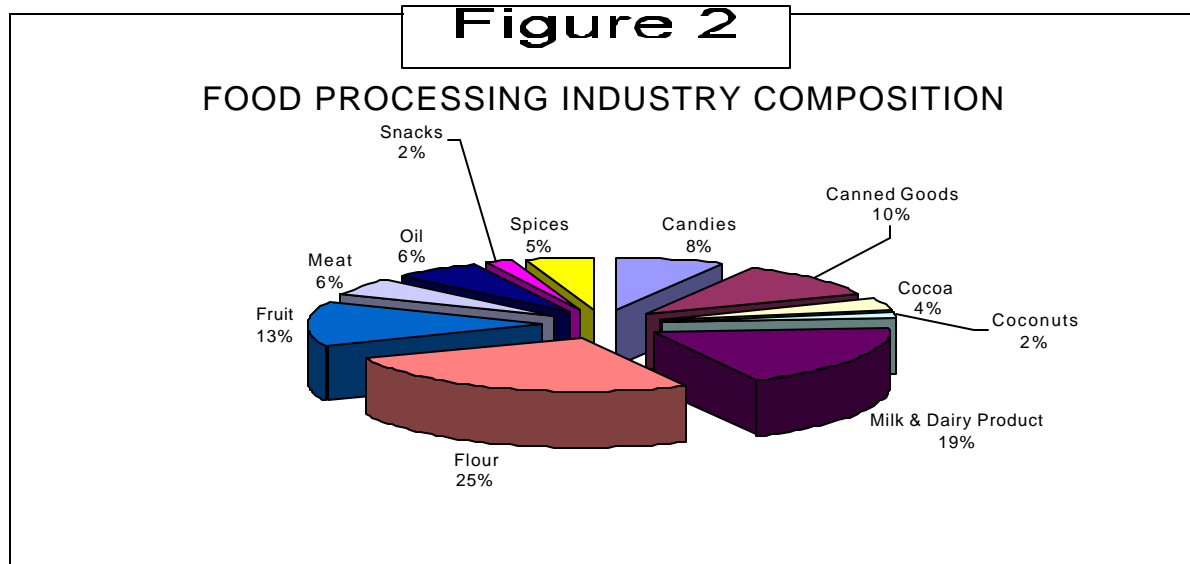
Although the food service sector of franchising has matured and is well established in the market, there still opportunities, particularly in specialty or ethnic foods and coffee shops.

Foreign and local high income oriented restaurants use a great deal of imported foods and ingredients, such as meats, fish, seafood, wines, liquors, etc.

The high tourist activities and the increasing amount of important international fast-food restaurant chains coming into the country are two significant factors contributing to the increase in the demand for imported food products.

C. DOMESTIC FOOD PROCESSING SECTOR

The outlook for the Dominican food-processing sector is very promising. During the last few years there has been a significant growth in different areas of this segment. For example, from 1999 to 2000 the flour industry and its by-products grew by 10.9%; soy oil, 20.5%; pasteurized milk, 17%; pastas, 15.5%; and ground coffee, 7.4%. There has also been an increase in the area of canned products (tomatoes, beans), meat processing (ham, salami, sausages, hot dogs), fruit processing (citrus and pineapple) and snacks (plantains and potatoes).



Currently, there are approximately 105 major food processing companies, of which approximately 25% process flour (pasta, pastries, crackers, etc.); 19%, milk and its by-products; 13%, fruits; and 10%, vegetables.

The meat-processing industry is vertically integrated. Usually it has its own farm (livestock and poultry), slaughterhouse and processing plants for meat products (ham, salami, sausages, hot dogs, etc.). Some of these facilities complied with USDA requirements for exporting to the United States and have incorporated sufficient technologies to obtain good quality products. They have now all been decertified. Aside from their own production centers, these companies procure animals from other producers and import meat, lard and other necessary ingredients to manufacture their products.

In relation to fresh products there are certain weaknesses on handling and storage resulting in significant post-harvest losses, which in some cases surpass 25%. This, in turn, has created deficiencies in the fruits and vegetables processing companies, both in terms of quality and the costs of their products.

Source: Prepared by Megavision with data provided by the USDA, 2000

The presence of imported products with higher quality standards has increased the demands of this type of consumer food products.

4. BEST HIGH-VALUE PRODUCTS PROSPECTS

The following is a list showing the most promising high-value product with a good potential to increase their participation in the domestic food market:¹

1. Breakfast Cereals: middle and low-income people are switching from staples to more ready to eat foods.
2. Alcoholic beverages: Wine and whisky consumption has increased more than a 25% this year.
3. Red Meats: specials cut for up-scale restaurants, special steakhouses and some hotel restaurants, hamburger patties for fast-foods restaurants.
4. Seafood products: fish, shrimp, squid, lobster, crabs and octopus, canned fish
5. Snack Foods
6. Frozen Vegetables: potatoes, mix vegetables
7. Fresh fruit: apples, grapes and pears
8. Dried fruits and nuts
9. Dairy products: ice creams, yogurt, non-fat dried milk, butter, cheese.
10. Chocolate and derived
11. Instant coffee and tea
12. Fruit juice and refreshment
13. Pet foods

5. KEY CONTACTS AND FURTHER INFORMATION

FOREIGN AGRICULTURAL SERVICE

Ave. Pedro H. Ureña #133, La Esperilla
Santo Domingo, Dominican Republic
Phone: (809) 227-0112
Fax: (809) 732-9454
E-mail: AgSantoDomingo@fas.usda.gov
Home page: <http://www.usemb.gov.do/fas.htm>

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(Dirección General de Ganadería)
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Km 6 1/2, Autopista Duarte
Jardines del Norte, Santo Domingo
Tel. (809) 547-3888 ext. 3786

¹ The criteria used to select this product list were: a) Import trends during the last few years; b) Assessment (Megavision) of market trends for consumer foods; and c) Assessment (Megavision) of the compared advantages of foreign (US) consumer food processors versus local processor.

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EXPORTER GUIDE

APPENDIX I: STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$Millions) / U.S. Market Share (%) for CY 2001	763.0 / (64.92 %) ^a
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Consumer Food Imports From All Countries (\$Millions) / U.S. Market Share (%) for CY 2001	274.2 / (35.90 %)
Edible Fishery Imports From All Countries (\$Millions) / U.S. Market Share (%) for CY 2001	180.2 / (15.68 %)
Total Population (Millions) / Annual Growth Rate (%)	8.5 / (2.3 %)
Urban Population (Millions)	4,8
Number of Major Metropolitan Areas ¹	2
Size of the Middle Class (Millions) / Growth Rate (%) ²	3,7
Per Capita Gross Domestic Product (U.S. Dollars) for CY 2000	2323,05
Unemployment Rate (%)	14,55
Per Capita Food Expenditures (U.S. Dollars) ³	357,3
Percent of Female Population Employed ⁴	23,8
Official Exchange Rate (US\$1 = RD\$)-at February 2002	17,15

Footnotes

1/ Santo Domingo and Santiago

2/ Based on the National Survey on Income and Expenditures 1997-1998 (ENIGH 1997/1998), quintile 3 & 4. Average annual revenue for home from US\$6,068.00 to US\$8,670.9 and extrapolated to 2000 data. (

3/ Data based on the 1998 Survey carried out by the Central Bank of the Dominican Republic. The average exchange rate in 1998 was US\$1.00 = RD\$14.70

4/ Based on the ENIGH 1997/1998 (15 year old and above)

a) Imports decreased in CY 2001 compared to CY 2000 due to non-tariff barriers applied by the Dominican Government.

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APPENDIX 1: STATISTICS

B. CONSUMER FOODS AND EDIBLE FISHERY PRODUCT IMPORTS

Products	World Total	US (US\$000)	US Share	Other Main Suppliers
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	(US\$000))		
02 Meat (fresh/frozen/dried)	24810.09	12083	444	Italy, Puerto Rico, Brazil
0201 Beef (fresh)	558.04	250	448	
0202 Beef (frozen)	3,172.04	1,77	558	
0203 Swine (fresh/frozen)	1,259.34	1,214	964	
0204 Lamb/Goat (fresh/frozen)	13.27	12	90.4	
0206 Edible Offal	2,907.13	2,567	88.3	
0207 Chicken fresh/frozen	16,900.27	6,27	37.1	
03 Fish & Seafood (fresh/frozen/dried)	5,532.90	3,062	13.7	Norway, Canada, Germany, Spain, Holland
0302 Fresh Fish (excl. fish fillets)	275.96	194	70.3	
0303 Frozen Fish (excl. fillets)	1,353.55	915	67.6	
0304 Fish Fillets (fresh/frozen)	2,088.24	923	44.2	
0305 Fish dried/salted/in brined/smoked	661.29	41	6.2	
0306 Crustaceans, even peeled, alive, fresh, refrigerated	825.03	745	90.3	
0307 Mollusks, alive, fresh, refrigerated	328.84	244	74.2	
04 Dairy & Eggs	65,190.18	14,336	20.2	Holland, Switzerland, Ireland, United Kingdom, Germany, Canada, New Zealand, Denmark, Belgium, Australia
0401 Milk/Cream (not concentrated, unsweetened)	2,515.64	2,332	92.7	
0402 Milk/Cream (concentrated or sweetened)	51,960.53	7,898	15.2	
0403 Yogurt	458.09	235	51.3	
0405 Butter & Other Milk Fats	3,159.09	695	22.0	
0406 Cheese	6,530.71	2,658	40.7	
0407 Eggs	566.12	518	915	
07 Vegetables (fresh/frozen/dried)	15,639.99	11,872	59.1	Canada, China, Spain, Colombia
0701 Potatoes (fresh)	748.30	110	14.7	
0703 Onion/Garlic (fresh)	1,584.91	504	31.8	
0704 Cabbages, cauliflower, curly cabbages, turnips	0	0	695	
0705 Lettuces (Lactuca sativa) and chicory	5.42	5	922	
0706 Carrots, turnips, apionabos, radishes	0.00	0	86.3	
0708 Leguminous Veg (shelled/unshelled, fresh)	4,320.05	3,793	87.8	
0710 Frozen Vegetables	671.46	280	41.7	
0711 Vegetables provisionally conserved	0.00	0	108	
0712 Dried Vegetables	1,376.81	760	55.2	
0713 Leguminous shelled & dried	6,933.05	6,42	92.6	
08 Fruit & Nuts (fresh/frozen/dried)	12,143.62	10,123	84.9	Chile, Argentina
0802 Fresh or dry shell fruits, even without shell	120.16	118	98.2	
0806 Grapes (fresh/dried)	5,800.00	4,553	78.5	
0808 Apples/Pears (fresh)	4,567.87	4,038	88.4	
0809 Stone Fruit (fresh)	46.23	38	82.2	

0813 Dried Fruit	1,609.36	1,376	85.5	
09 Coffee, Tea, Mate & Spices	1,803.85	469	26.0	Indonesia,
0901-0910 Spices	1,803.85	469	26.0	Singapore
10 Cereals	146,585.05	143,46	963	Chile, Canada,
1001 Wheat	36,928.00	36,928	100.0	Argentina,
1004 Oats	147.29	19	12.9	Spain, Mexico
1005 Corn (includes to sow)	95,294.12	92,34	96.9	
1006 Rice	14,215.65	14,173	99.7	
11 Milled products	11,854.59	2,697	76.5	Canada,
1101 Wheat flour	796.34	348	43.7	Belgium, Puerto
1102 Cereal flour, except wheat	1,414.12	601	42.5	Rico, Argentina,
1103 Semolas	27.71	24	86.6	Spain, Mexico
1107 Malt (of barley or other cereals), even toast	155.34	144	92.7	
1108 Starch	9,461.08	1,58	16.7	
15 Fat and oils	39,617.10	14,477	34.1	Taiwan,
1502 Animals fat	6,520.00	6,52	100.0	Argentina,
1507 Soybean oils	27,756.58	4,219	152	Germany, Spain,
1515 Corn oils	2,980.16	2,253	75.6	Colombia
1517 Margarine	2,195.12	1,35	61.5	
1518 Others fats and oils	165.24	135	81.7	
16 Preparations of Meat and Fish	15,514.89	6,066	284	Spain, Thailand,
1601 Sausages	193.18	187	96.8	Canada,
1602 Other Processed Meat Products (not frozen)	4,290.87	3,57	83.2	Venezuela,
1604 Processed Fish (not frozen)	10,866.34	2,195	20.2	Mexico, Taiwan
1605 Processed Crabs/Lobsters/Shrimp not frozen	164.50	114	693	
17 Sugars & Sugar Confectionery	4,800.77	1,352	41.0	Cuba, Mexico,
1701 Cane of Beet Sugar	1610	9	55.9	Guatemala,
1702 Lactose, glucose and other syrups	1323.53	675	51.0	Colombia
1704 Sugar Confectionery w/o cocoa	3,461.14	668	19.3	
18 Cocoa & Cocoa Preparations	6,579.87	4,902	74.5	Mexico, Chile,
1806 Chocolate & Other Food Pre s w/ Cocoa	6,579.87	4,902	74.5	Italy
19 Preparations of Cereals	39,696.48	14,247	37.9	Holland,
1901 Baking Mixes/Other Flour Preparations	19,941.82	5,484	27.5	Mexico,
1902 Pastas	1,115.21	242	217	Denmark,
1904 Prepared Cereals (e.g. breakfast cereals)	5,216.11	2,655	50.9	Venezuela, Italy,
1905 Biscuits, Wafers, and Similar Baked Products	13,423.34	5,866	43.7	Venezuela,
				Colombia,
				Puerto Rico

20 Preparations of Vegetables & Fruits	20,358.95	11,599	56.8	Venezuela,
2001 Cucumbers, pickles, onions, olives, capers	311.83	58	18.6	Costa Rica,
2002 Tomatoes, prepared/preserved	660.23	171	25.9	Puerto Rico,
2004 Potatoes and vegetables, frozen	1,224.83	888	72.5	Mexico
2005 Canned Vegetables & Mixed Vegetable	1,831.14	1,529	83.5	
2007 Jams, Jellies, Marmalades, Purees	3,433.79	752	21.9	
2008 Canned Fruits	1,351.25	1,031	76.3	
2009 Fruit and Vegetable Juices	11,545.89	7,17	62.1	
21 Miscellaneous Edible Preparations	56900.7	23,344	541	Mexico,
2103 Condiments (Mustard//Ketchup/Other Sauces)	4,790.72	4,235	884	Colombia,
2104 Soups and Broth	6,071.43	2,04	33.6	Brazil, UK,
2105 Ice Cream	491.38	171	34.8	Holland, , Chile,
2106 Misc. Food Preparations not elsewhere specified	45,547.17	16,898	37.1	Spain, Germany
22 Beverages, Spirits & Vinegar	18,427.21	5,66	242	Scotia, Chile,
2201 Bottled Water	292.06	92	31.5	Spain, Germany,
2202 Soft Drinks and other Non-Alcoh. Beverages (ex. Juices)	3,936.95	2,248	57.1	UK, Panama,
2203 Beer	2,102.30	1,007	47.9	Trinidad &
2204 Wine	5,338.10	1,121	21.0	Tobago
2208 Gin, Vodka, Whisk , Rum, Liqueurs	6,700.00	1,139	17.0	
2209 Vinegar	57.80	53	917	
TOTAL	485,456.24	279,749	502	

Source: Official import data of the Dominican Republic and FAS/USDA Statistics from
www.fas.usda.gov commodity data, 2002

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APPENDIX 1: STATISTICS

C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

COUNTRIES		1998	1999	2000	MAIN PRODUCTS
		US\$000	US\$000	US\$000	
1	United States	111,48	136,348	117,076	Snack foods, Dairy products, Processed fruit and vegetables, Fruit and vegetable juices, Fresh fruits, Poultry meat, Red meats, Fresh Vegetables
2	Denmark	55299	48113	49740	Powder milk & cream, modified milk
3	Netherlands	23720	26504	24432	Milk
4	Norway	25122	21669	N/A	Cod
5	México	16896	16307	10236	Sugar, alcoholic beverages, modified, milk, orange juice1
6	Spain	11594	15345	16879	Wine, whisky, olive
7	Chile	9406	14349	13114	Apples, grapes, wines
8	New Zealand	11996	7203	12416	Milk
9	Colombia	10456	15035	12931	Chewing gum, candies, cookies
10	Costa Rica	10833	6792	5856	Canned tuna, canned vegetales
11	United Kingdom	6393	2935	3806	Alcoholic beverages, milky products
12	Venezuela	6424	6837	N/A	Sardine, preserve, bakery products, tuna fish
13	Italy	3660	3973	5146	Pasta, Tomato sauce, wine, canned fruit, cocoa drinks, meat
14	France	3279	4357	5142	Wine, Snack foods
15	Ireland	1890	3616	6506	Milk and Dairy products
	Others countries	74748	54926	42003	
Total Consumer - Oriented and Fish and Seafood Products		383193	384309	325283	
Source: UN Trade Database, 2002					

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APPENDIX 2: Product in Supermarkets

(A Representative List)

PRODUCT	BRAND	COUNTRY OF ORIGIN
Meat, fresh strip, ribbed tenderloin, t- Bone, porterhouse		United States Dominican Republic
Fish, fresh		United States, Dominican Republic Spain, Chile
Seafood - Squid, shrimp, octopus, Crabs, misc.	Sea Best, The Great Fish, Royal Tiger	United States Dominican Republic Spain, Norway, China.
Milk and cream, fresh and Powdered	Rica, Parmalat, Lodom, Nido, Anchor, Bella Holandesa, Celia, Milex, Alaska, Kanny, Alacta, Ultra Milk, Nestle, Carnation.	United States, Dominican Republic New Zealand, Denmark, Holland, Netherlands,
Yogurt	YoCrunch, Elite, Consuelo, JJ, Frigor, Colombo, Don José, Michell, Jell-O Sabaneta, Yoka, Breyer's, Ligh and Lively, Yoplait	Dominican Republic United States
Ice Cream	Baskin Robbins, Walls, Pilpa, Bon, Nestle, Häagen Dazs,	United States Dominican Republic, Germany.
Cheese	Rica, Sosua, Induveca, Michel, Checo, Don Juan, Kraft, American Heritage, Gouda, Eden El Caserio, Elite, Yokesso, Saint-Michel, Pauly, Ricotta Bonao, Campesino, Giglio, Blue Cheese, Blue Bonnet, Jarsberg,	United States Dominican Republic Holland Spain Italy.
Vegetables, fresh - Beans, onions, potatoes, celery, radish, misc.		Dominican Republic United States
Vegetables, frozen	La Famosa, McCain, Valley Farms, Green Giant, la Cocina, Pescanova	United States Dominican Republic Canada Spain.
Vegetables, canned	Del Monte, Green Giant, Healthy Choice Goya (US product), La Famosa, ReVerde	United States Dominican Republic

	La Norenense, Baldom, Linda, Ja Ja, Victorina, D'enero, BestYet, Roland, Bajamar, Cidacos, La Costeña, Annalisa, Cirio, Rosarita, Unichamp, Old El Paso	Italy Spain Mexico
Fruit, fresh - apples, grapes, pears, kiwi, strawberries, plums	Del Monte, Dole, Washington	United States Chile Brazil
Fruit, canned	Cirio, Delverde, Jaja, La Famosa, Del Valle Libby's, del Monte, Roland, Dole, Canarino, BestYet, Ligo	Dominican Republic United States Italy
Coffee, instant	Induban, Nescafé, Mamá Inés, Dominicano, Café Butello, Goya, Pilón, Postum Maxwell House, Nescafe, Hershey's Maxin, Taster's Choice, Folger Alessi, Monte Real	Dominican Republic United States Italy
Cocoa and drinking chocolate	Munné, Cortes, Embajador, Diplomatico Cortes, Sobrino, Cola Cao, Choco Milk Nutri, Hersey's, Quaker Chocomilk (US product) Nestle (Swiss product) Ovaltine, Milos, Swissmiss	Dominican Republic United States Mexico Switzerland
Spices- oregano, pepper, anise, Manzanilla	Ranchero, Canario, El Cocinero, Maggi, Knorr, Roland. Goya, Bohio, Badia, Baldom, La Chinata, Carmencita, McCormick, La Choy, Kraft, Líder, Lea&Perrings, BestYet, El Labrador,	Dominican Republic United States Spain
Pasta , raw spaghetti, macaroni,	Pasta del César, Rolland, Primor, Zara, De Cecco, Rómulo, Milano, Ricos, Princesa, Milanese, Reina, Muellers, Ronzoni, Catelli Buitoni, Vigo/Barela, Patazora	Dominican Republic, United States, Canada Italy Taiwan Colombia
Ketchup	Baldom, BestYet, Libby's, Jaja, Linda, Victorina, Famosa Heinz, Hunt's, Del Monte Maggi (Swiss product) Molinera	Dominican Republic, United States, Panama Spain
Tomato, paste	BestYet, Chi-chis Fiesta, Jaja, Bella, Victorina, Famosa, Linda, Selecta	United States Dominican Republic
Tomato, ready to	Heinz, Ragú, Solis, Arturo, Prego, Hunt's, Del	United States

use sauce	monte, Pomi, Mutti, Barilla, Catelli, Healthy Choice, Cirio	Italy Spain
Fruit and Vegetables, juices and drinks	Campbell's, Don Simón, V8, Goya, Jaja, Linda, Victorina, La Famosa, Selecta, Mama, Bon, Don Juan, Barceló, Mott's, Libby's, Snapple, Ocean Spray, Welch's, Gatorade, Del Monte	Dominican Republic United States United States Spain
Fruit Juices, concentrated	Bon, Don Juan, Barcelo, La Famosa	Dominican Republic
Mayonnaise	Shure Fine, Hellman's, Baldom, Manicera, Maggi Heinz, Fraft, Helmann's, Hyde Park	Dominican Republic United States
Fish, canned tuna	Bumble Bee, Roland, Quaker, Cherry Star, Consul, Tesoro del Mar, Pacífico Azul, La Famosa, BestYet, Baldom, Sadimar, Paco Fish, Escuris, Brunswick, Coqueiro	United States Brazil Thailand Indonesia Spain Ecador Vietnam Mexico Costa Rica Japan
Fish- canned sardines	Consul, Famosa, Bumble Bee, Beachcliff, Calvo, la Portuguesa, Roland, Quaker Brunswick, Albo, Paco Fish, Vigo	United States Canada Spain Vietnam Ecuador
Seafood, canned	Bumble Bee, Roland, Orbe Escuris, Brunswick	United States Canada Spain
Prepared meats - salami, ham, sausages	Checo, Chef, Sosua, Stfanutti, Induveca, Don Pedro, Nueva Era, CibaoHormel	United States Dominican Republic
Jams and Jellies	Bon, D'Kalidad, Del Valle, Jaja, Mamá, Fragata, Cidacos, Welch's, Kraft, Smukers, Ancel, La Campesina, BestYet, Knott's, Santiveri, Bonnemaman	United States Dominican Republic Fance Spain Mexico
Breakfast Cereals	Kellogg's, Post, Quaker, BestYet, Malt-O-Meal, Crispy Apples, Ralston Foods, Nabisco, Nestle, Maizoro	United States Switzerland Mexico

Snack Foods	Toasty, La Estrella, Frito-Lay (US product), Tom's, Nabisco, Proctor & Gamble, Bahlsen, Bugles, Lovwz, The Laughing Cow,	United States Dominican Republic Germany France
Butter, Margerine, and Spread	Dorina, Manicera, Flora, BestYet, Mazorca, Blue Bonnet, Sosúa, Rica, Parkay, President, Reny Piot	United States Dominican Republic Fance Spain
Turkey	Butterball, Sara Lee, Pin Pavo	United States Dominican Republic
Cake and Pancake Mix	Aunt Jemima, Hungry, Juana, Betty Crocker, Best Yet, SoftaSilk	Dominican Republic United States Venezuela
Beer, alcohol	Presidente, Bohemia, Quisqueya, Miller Beck's, Heineken (Dutch product), Lowenbrau (German product), Holsten, Corona, Birra Moretti, Dos Equis (XX), Alambra	Dominican Republic United States Germany Germany Mexico Spain
Wine	Ernest & Julio Gallo, Carlos Rossi, Boone's, Tuming Leaf, Pinot Grigio, Riunite, Barolo, Campari, Valdadigi, Cecchi, Conde de los Andes, Santiago Ruiz, Ibemoble, Luis Olarra, Bordan, Castillo Lagomar, La Fiole du Pape, Rafael, Joseph Drouhin, Monton Gadet, Dubonnet, Vino Ibero, Concha y Toro, Sta. Rita, Cousino-Macul, Santa Carolina, Parpaka, Tokaji Orenus, Chateau, Carmen, Marqués de Cáceres, Campo Viejo, Pesquera, Sunrise, Chianti.	United States Italy Spain France Chile Argentina
Pet Foods	Alican, Alpo, BestYet, Friskies, Cat Chow, Ralston Purina, Puppy Chau, Azcan, Pedigree	United States

Source: FAS Santo Domingo, 2002. Direct Survey of Supermarkets

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APPENDIX 3: TARIFF RATES
(A Representative List)

HS CODE	PRODUCT	DUTY RATE
2,01	Beef, fresh	40%
2,02	Beef, frozen	40%
2,07	Chicken, frozen	25%
4,01	Milk, whole	20%
4,05	Butter	20%
4,06	Cheese	20%
7,01	Potatoes, fresh	20%
7,05	Lettuce	20%
7,1	Vegetables, mixed frozen	20%
8,05	Oranges, fresh	20%
8,08	Apples, fresh	20%
16,02	Beef, canned	20%
16,04	Tuna, canned	20%
19,04	Breakfast Cereals	20%
20,05	Peas, canned	20%
20,09	Apple Juice concentrated or ready to drink	20%
21,03	Tomato Ketchup	20%
21,03	Mayonnaise	20%
21,06	Corn Chips	20%
22,03 *	Beer, malt	20% (ISA 25%)
22,04 *	Wine	20% (ISC35 %)
Source: Dominican Republic Customs Department. Arancel de Aduanas 2001 Note: In addition, Alcoholic beverages are charged with the ISC		